



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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July 2, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer 

### **SACRAMENTO UPDATE**

This memorandum contains a pursuit of County position on legislation related to the State Enterprise Zone Program; an update on a County-sponsored measure related to information sharing for the prevention, identification, management or treatment of child abuse and neglect; a status report on eight County-advocacy measures; and an update on three County-interest bills related to the Long Beach Courthouse, and the implementation of the next Section 1115 Medicaid Waiver.

### **Pursuit of County Position on Legislation**

**SB 974 (Steinberg)**, which as amended on June 15, 2010, would make changes to existing law regarding the State Enterprise Zone Program to: 1) eliminate retroactive employee hiring tax credit vouchering; 2) cancel the use of the Targeted Employment Area (TEA) and Targeted Tax Area residency as an employee eligibility criteria; 3) establish the Career Pathways Investment Credit; and 4) cap the aggregate amount of tax credits that may be allocated in calendar year 2011 at \$78 million and \$100 million annually thereafter. This measure would provide for a tax levy making it effective immediately if passed by the Legislature and signed by the Governor.

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Under existing law, businesses within a State Enterprise Zone can apply for hiring tax credit vouchers, which employers can apply towards their taxable income for activities within the Enterprise Zone. One of the categories under which an employer can claim a hiring tax credit voucher is an employee's residency in a TEA, which is composed of a jurisdiction's census tracts that have at least 51 percent of residents of low- or moderate-income levels. Enterprise Zone businesses are also able to apply for hiring tax credit vouchers at any time, constrained only by the allowable timeframe to amend their past year's tax returns.

The Community Development Commission (CDC) indicates that SB 974 would significantly reduce the number of hiring tax credit vouchers that are issued to local businesses by eliminating the TEA hiring credit criteria and would limit the ability of an employer to apply for a tax credit voucher by requiring the application within 28 days of the hiring date of the qualified employee. The bill also would place a cap on the total tax credits available under the program, which would place the program into a first-come-first-served operation. The fiscal impact of SB 974 cannot be determined at this time; however, the CDC indicates that the impact to local businesses in the County would be the effective elimination of this tax credit program.

The Community Development Commission and this office oppose SB 974. Therefore, consistent with existing Board policy to: 1) support legislation that will preserve, expand, and extend designations for the State Enterprise Zone Program for urban areas and protect the County's fiscal base and revenues; and 2) the County's opposition of AB 1139 (J. Pérez) of 2009, which would have eliminated retroactive tax credit vouchers and cancelled the use of TEA program-eligibility criteria, **the Sacramento advocates will oppose SB 974.**

SB 974 is supported by the California Association of School Business Officials, California Catholic Conference Inc., Clovis Unified School District, Los Angeles Unified School District, Metropolitan Education District, Metzger Farms, San Diego Unified School District, and California/Nevada Community Action Partnership.

The bill is opposed by several entities, including: Riverside, Merced, and Monterey Counties; the League of California Cities; the Cities of San Jose, Stockton, and Chula Vista; California Aerospace Technology Association; California Association of Enterprise Zones; California Bankers Association; California Chamber of Commerce; California Employment Opportunity Network; California Grocers Association; and the California Manufacturers and Technology Association.

SB 974 passed the Senate Floor by a vote of 21 to 16 on June 3, 2010. This measure is currently awaiting a hearing in the Assembly Jobs, Economic Development and the Economy Committee.

### **Status of County-Sponsored Legislation**

**County-sponsored AB 2322 (Feuer and Bass)**, which would clarify and strengthen the ability of county departments to share records for the prevention, identification, management or treatment of child abuse or neglect, and expand the type of data that may be entered on the Family and Children's Index (FCI), passed the Senate Human Services Committee, as amended on June 30, 2010 by a vote of 5 to 0. This measure now proceeds to the Senate Appropriations Committee. The amendments limit the sharing of criminal convictions in the FCI database only to Los Angeles County.

### **Status of County-Advocacy Legislation**

**County-opposed AB 1641 (Hall)**, which would declare that blighted areas may include housing constructed as a government-owned project prior to January 1, 1960, passed the Senate Local Government Committee with technical amendments, by a 3 to 2 vote on June 30, 2010, and now proceeds to the Senate Floor.

**County-supported AB 1650 (Feuer)**, which as amended June 23, 2010, would prohibit the State of California and its subdivisions from contracting with persons who have investments in the Iranian energy sector, passed the Senate Governmental Organization Committee by a vote of 7 to 0 on June 29, 2010, and now proceeds to the Senate Appropriations Committee.

**County-supported AB 1653 (Jones)**, which would extend the Hospital Quality Assurance Fee for an additional six months, from January 1, 2011 to June 30, 2011, passed the Senate Health Committee with amendments by a vote of 6 to 2 on June 30, 2010, and now proceeds to the Senate Appropriations Committee. The amendments address the Centers of Medicare and Medicaid Services' concerns about how hospitals are paid by managed care plans.

**County-supported AB 2064 (J. Pérez and Bass)**, which as amended on May 6, 2010, would require the California Department of Housing and Community Development to release a notice of funding availability for the Emergency Housing and Assistance Program to potential applicants and designated local boards, passed the Senate Transportation and Housing Committee by a vote of 6 to 2 on June 29, 2010, and now proceeds to the Senate Appropriations Committee.

**County-opposed AB 2456 (Torrico)**, which would require local Emergency Medical Service agencies to adhere to standards developed by the California Emergency Medical Services Authority (EMSA) regarding the functions, certification and licensure of emergency medical technician personnel, and authorize the EMSA to develop and adopt a fee schedule to cover the costs to promulgate regulations, passed the Senate Health Committee with technical amendments by a vote of 5 to 3 on June 30, 2010, and now proceeds to the Senate Appropriations Committee.

**County-opposed unless amended AB 2499 (Portantino)**, which as amended on June 22, 2010, would eliminate the Traffic Violator School Monitoring Program by precluding the Los Angeles Superior Court from contracting with a court assistance program for monitoring services, passed the Senate Transportation and Housing Committee by a vote of 9 to 0 on June 29, 2010, and now proceeds to the Senate Appropriations Committee.

**County-opposed AB 2531 (Fuentes)**, which would expand activities eligible for redevelopment funding to include: 1) activities that result in creation of employment opportunities; and 2) direct financial assistance to businesses within redevelopment project areas for industrial or manufacturing uses, passed the Senate Local Government Committee, as amended, by a vote 3 to 2 on June 30, 2010, and now proceeds to the Senate Floor. Amendment language was not available at the Committee hearing; however, the amendments were described as provisions to create accountability and provide oversight by placing the bill's language into a single, easily understood statutory location, requiring redevelopment agencies that use the bill's temporary authority to report on their activities, and requiring a report to the Legislature by January 1, 2017 on the effectiveness at retaining and creating jobs.

**County-supported SB 1084 (Liu)**, which would establish the California Economic Security Task Force to make recommendations to reduce poverty over the next decade, passed the Assembly Human Services Committee with technical amendments by a vote of 4 to 2 on June 29, 2010, and now proceeds to the Assembly Appropriations Committee.

#### **Legislation of County-Interest**

**AB 1341 (B. Lowenthal)**, which would provide a narrow, uncodified exemption from the possessory interest tax for the parts of the proposed Long Beach Courthouse occupied by public-sector entities, passed the Senate Revenue and Taxation Committee by a vote of 5 to 0 on July 1, 2010. The bill was amended to strike out a statement that the bill was declaratory of existing law which was erroneously included as part of the legislation. As amended by the Committee, the bill conforms to the agreement struck

Each Supervisor  
July 2, 2010  
Page 5

between the author, the County, and Administrative Office of the Courts (AOC) to ensure the expeditious construction of the Long Beach Courthouse. In addition to drafting the bill very narrowly to only apply to the Long Beach Courthouse, the AOC provided your Board with the attached letter of assurance that they will not attempt similar exemptions for future projects in the County. The bill will next be heard in the Senate Committee on Appropriations.

**SB 208 (Steinberg) and AB 342 (J. Pérez)**, which are measures designed to implement the next Section 1115 Medicaid Waiver, passed the Assembly and Senate Health Committees by a vote of 13 to 0 on June 29, 2010, and by a vote of 7 to 1 on June 30, 2010, respectively, and now proceed to the respective appropriations committees. While many organizations, including members of the Disproportionate Share Task Force, support the bills in concept, it was acknowledged that many details have yet to be worked out at the State and Federal levels. The Western Center on Law and Poverty, the Disability Rights Organization and the American Association of Retired Persons oppose the bills because of the mandatory enrollment of seniors and persons with disabilities into managed care plans.

We will continue to keep you advised.

WTF:RA  
MR:IGEA:sb

#### Attachment

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants



**Judicial Council of California**  
**Administrative Office of the Courts**

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RONALD M. GEORGE  
*Chief Justice of California*  
*Chair of the Judicial Council*

WILLIAM C. VICKREY  
*Administrative Director of the Courts*

RONALD G. OVERHOLT  
*Chief Deputy Director*

June 29, 2010

Hon. Gloria Molina  
Chair, Board of Supervisors  
County of Los Angeles  
500 West Temple Street, Room 856  
Los Angeles, California 90012

Dear Supervisor Molina:

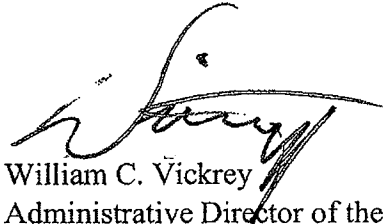
I appreciate the cooperation and assistance of Los Angeles County in ensuring that the Long Beach Court Building project will continue to move expeditiously forward. With the enactment of Assembly Bill 1341, which declares that there is no possessory interest in portions of the Long Beach Court Building project occupied by public entities, we will avoid potential delay and risk to the project.

I also understand your concerns regarding the precedential nature of legislation of this type. Therefore, the Administrative Office of the Courts will not make any representation regarding the treatment of possessory interests, other than the statement required by Revenue and Taxation Code section 107.6, in any future solicitation of proposals by the Administrative Office of the Courts for new projects undertaken pursuant to section 70391.5 of the Government Code within the County of Los Angeles.

Hon. Gloria Molina  
June 29, 2010  
Page 2

We look forward to working with Los Angeles County in bringing the Long Beach Court Building transaction to a successful conclusion and invite you to raise any remaining concerns you may have on this matter with me at any time.

Sincerely,



William C. Vickrey  
Administrative Director of the Courts

WCV/CLC/lmb

cc. Hon. Mark Ridley-Thomas, Supervisor, Los Angeles County Board of Supervisors, District 2  
Hon. Zev Yaroslavsky, Supervisor, Los Angeles County Board of Supervisors, District 3  
Hon. Don Knabe, Supervisor, Los Angeles County Board of Supervisors, District 4  
Hon. Mike Antonovich, Supervisor, Los Angeles County Board of Supervisors, District 5  
Mr. William T Fujioka, Chief Executive Officer, County of Los Angeles  
Mr. Daniel J. Wall, Chief Legislative Advocate, Chief Administrative Office of County of Los Angeles